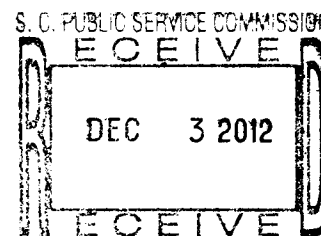


240685



November 30, 2012

Mrs. Jocelyn Boyd  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, South Carolina 29210

Dear Mrs. Boyd:

Progress Energy Carolinas' ("PEC") last general rate case was in 1988 in Docket No. 1988-11-E. The Commission's Order No. 88-864 issued in that proceeding required PEC to file quarterly earnings reports based on the Commission's findings in that proceeding containing:

- 1) System Rate of Return on Rate Base – Exhibit A1
- 2) South Carolina Rate of Return on Rate Base – Exhibit A2
- 3) Return on Common Equity (Allocated to South Carolina Retail) – Exhibit B
- 4) Earnings Per Share on Progress Energy Common Stock – n/a
- 5) Debt Coverage Ratio or Earnings to Fixed Charges – 2.27 times

In compliance with the ORS's request, PEC submits its quarterly earnings report for the 12 months ended September 30, 2012 on a per books and as adjusted basis using jurisdictional allocations based on 2011 data. Also included is a verification of the report.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-2559. ✓dl

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Scott Foster'.

M. Scott Foster  
Manager – PEC Regulatory & Property Accounting  
Progress Energy Service Company

c: John Flitter

Enclosure

# CERTIFICATION

I, James D. Wiles, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2012 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

James D. Wiles  
James D. Wiles  
Vice President - Accounting

November 26, 2012  
Date Signed

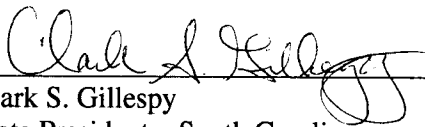
Subscribed and Sworn to before me this 26 day of November, 2012.

Kim V. Beal  
Notary Public  
My Commission Expires: October 24, 2014

# CERTIFICATION


I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

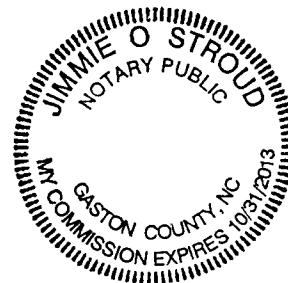
The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2012 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.

  
Clark S. Gillespy  
State President – South Carolina

November 19, 2012  
Date Signed

Subscribed and Sworn to before me this 19 day of November, 2012

  
Notary Public  
My Commission Expires: October 31, 2013



PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2012

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,574,706,952	-	4,574,706,952
OPERATING EXPENSE:			
NET O&M EXPENSES	3,214,649,013	29,056,381	3,243,705,394
DEPRECIATION	527,386,887	15,181,733	542,568,620
TAXES (OTHER THAN INCOME)	215,700,973	4,134,490	219,835,463
INCOME TAX - STATE	1,913,176	1,327,049	3,240,225
INCOME TAX - FEDERAL	(9,614,386)	(35,573,202)	(45,187,588)
PROV. FOR DEFERRED TAXES	180,655,570	22,551,497	203,207,067
INVESTMENT TAX CREDIT	(5,730,816)	-	(5,730,816)
TOTAL OPERATING EXPENSE	4,124,960,417	36,677,948	4,161,638,365
INCOME FOR RETURN:			
OPERATING INCOME	449,746,535	(36,677,948)	413,068,587
CUSTOMER GROWTH	2,044,359	(166,723)	1,877,636
INTEREST ON CUST. DEPOSITS	(7,508,161)	-	(7,508,161)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	444,282,733	(36,844,671)	407,438,062
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	18,342,398,261	780,092,519	19,122,490,780
PLANT HELD FOR FUTURE USE	18,163,351	-	18,163,351
RESERVE FOR DEPRECIATION	(9,157,848,807)	(15,181,733)	(9,173,030,540)
NET PLANT IN SERVICE	9,202,712,805	764,910,787	9,967,623,592
NUCLEAR FUEL INVENTORY	451,782,578	-	451,782,578
DEFERRED TAXES - LIB. DEPR.	(2,111,054,761)	164,191,334	(1,946,863,427)
REGULATORY ASSETS	1,057,266,656	(164,191,334)	893,075,322
WORKING CAPITAL:			
MATERIALS & SUPPLIES	754,477,631	(5,864,187)	748,613,444
CASH WORKING CAPITAL	453,208,254	-	453,208,254
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	17,565,463	-	17,565,463
TAX ACCRUALS	(30,512,448)	-	(30,512,448)
CUSTOMER DEPOSITS	(118,806,995)	-	(118,806,995)
OPERATING RESERVES	(746,249,267)	-	(746,249,267)
CUSTOMER ADVANCES FOR CONSTR.	(14,675,863)	-	(14,675,863)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	315,006,775	(5,864,187)	309,142,588
TOTAL RATE BASE	8,915,714,053	759,046,600	9,674,760,653
RATE OF RETURN (%)	4.98		4.21

PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT A2

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	512,649,492	-	512,649,492
OPERATING EXPENSE:			
NET O&M EXPENSES	360,340,039	3,321,463	363,661,502
DEPRECIATION	64,800,547	1,733,747	66,534,294
TAXES (OTHER THAN INCOME)	16,585,464	459,846	17,045,310
INCOME TAX - STATE	655,725	433,958	1,089,683
INCOME TAX - FEDERAL	(4,668,770)	(4,140,551)	(8,809,321)
PROV. FOR DEFERRED TAXES	23,268,975	2,607,827	25,876,802
INVESTMENT TAX CREDIT	(641,706)	-	(641,706)
TOTAL OPERATING EXPENSE	460,340,274	4,416,290	464,756,563
INCOME FOR RETURN:			
OPERATING INCOME	52,309,218	(4,416,290)	47,892,929
CUSTOMER GROWTH	82,667	(6,979)	75,688
INTEREST ON CUST. DEPOSITS	(606,705)	-	(606,705)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	51,785,180	(4,423,269)	47,361,912
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,111,847,298	86,763,403	2,198,610,701
PLANT HELD FOR FUTURE USE	2,020,163	-	2,020,163
RESERVE FOR DEPRECIATION	(1,057,315,389)	(1,728,975)	(1,059,044,364)
NET PLANT IN SERVICE	1,056,552,072	85,034,428	1,141,586,500
NUCLEAR FUEL INVENTORY	51,069,398	-	51,069,398
DEFERRED TAXES - LIB. DEPR.	(270,899,560)	18,725,365	(252,174,195)
REGULATORY ASSETS	143,323,521	(18,261,679)	125,061,842
WORKING CAPITAL:			
MATERIALS & SUPPLIES	83,682,280	(662,886)	83,019,394
CASH WORKING CAPITAL	52,054,093	-	52,054,093
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	2,019,236	-	2,019,236
TAX ACCRUALS	(3,507,556)	-	(3,507,556)
CUSTOMER DEPOSITS	(18,096,465)	-	(18,096,465)
OPERATING RESERVES	(85,281,776)	-	(85,281,776)
CUSTOMER ADVANCES FOR CONSTR.	(1,916,845)	-	(1,916,845)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	28,952,967	(662,886)	28,290,081
TOTAL RATE BASE	1,008,998,398	84,835,227	1,093,833,625
RATE OF RETURN (%)	5.13		4.33

PROGRESS ENERGY CAROLINAS  
S.C. QUARTERLY REPORT  
S.C. RETAIL - RETURN ON COMMON EQUITY  
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2012

**"PER BOOKS"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT	RATIO			
	\$	%	\$	%	\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	4,685,066,627	46.53%	469,486,955	4.31%	20,234,888
PREFERRED STOCK	59,333,982	0.59%	5,953,091	5.33%	317,300
COMMON EQUITY	5,324,273,204	52.88%	533,558,353	5.85%	31,232,992
TOTAL CAPITALIZATION	10,068,673,813	100.00%	1,008,998,398		51,785,180

**"ADJUSTED"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT	RATIO			
	\$	%	\$	%	\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	4,685,066,627	47.07%	514,867,487	4.31%	22,190,789
PREFERRED STOCK	59,333,982	0.60%	6,563,002	5.33%	349,808
COMMON EQUITY	5,207,951,097	52.33%	572,403,136	4.34%	24,821,315
TOTAL CAPITALIZATION	9,952,351,706	100.00%	1,093,833,625		47,361,912